



**Commonwealth of Kentucky
Public Protection Cabinet**

Department of Financial Institutions

Matthew G. Bevin, Governor

**K. Gail Russell, Acting Secretary
Charles A. Vice, Commissioner**

FOR IMMEDIATE RELEASE

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**DFI Annual Report: Financial Services Industry Remains
Strong Across Kentucky**

DFI Issues 2017 Annual Report

FRANKFORT, Ky. (July 11, 2018) – The Department of Financial Institutions (DFI) released its 2017 annual report today at <http://kfi.ky.gov/publications/Pages/annualreports.aspx>.

The report summarizes the status of state-chartered banks, credit unions, lenders, and investment firms and professionals operating in Kentucky. It highlights DFI's work to promote reasonable regulation and consumer protection industry-wide. The report also notes industry trends and changes across the state.

"As this report indicates, DFI continues to achieve our mission and goals. We strive to implement sound regulatory practices while ensuring a business friendly environment that encourages growth and economic activity," said DFI Commissioner Charles Vice. "Our dedicated employees understand the critical need for a strong financial services industry in the Commonwealth of Kentucky."

Highlights from the 2017 report include:

- As part of Gov. Bevin's Red Tape Reduction initiative, DFI has eliminated 16 percent of burdensome industry rules and regulations.
- The number of nondepository financial services registered or licensed in Kentucky continues to expand as consumers seek financial services, such as mortgage loans and money transmission services, from multiple sources.

- The banking industry continues to experience consolidation, as the number of state-chartered banks declined by almost 7 percent to 124 as of year-end 2017. The number of credit unions reduced by one to 23 at the end of 2017, a 4 percent decline.
- Overall assets of state-chartered banks and credit unions have increased. Both reported increased levels of income and capital, coupled with a significant decline in the volume of problem assets.
- DFI's Securities Division continues to work closely with local and federal prosecutors to address investor harm. Securities enforcement actions in 2017 doubled the previous year's numbers, and fines increased by almost \$2.5 million.

The department also accomplished its consumer protection goals through appropriately supervising regulated industries, participating in various consumer outreach programs and hosting meetings with the industry to clarify expectations.

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DFI, <http://kfi.ky.gov>, is an agency in the Public Protection Cabinet. For more than 100 years, it has supervised the financial services industry by examining, chartering, licensing and registering various financial institutions, securities firms and professionals operating in Kentucky. DFI's mission is to serve Kentucky residents and protect their financial interests by maintaining a stable financial industry, continuing effective and efficient regulatory oversight, promoting consumer confidence, and encouraging economic opportunities.